

LNF & IHCIF Calculations Illustration **- ROSEBUD in Aberdeen area -**

Given Data

- 13,128 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 26% = % Expenditures on purchased services, 74% = % expenditures in-house
- 91.9% = Cost index for purchasing health care in this geographic area
- 98.8% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$711 per person for purchased services = $26\% * 91.9\% * \$2,980$
- \$2,179 per person for in-house services = $74\% * 98.8\% * \$2,980$
- \$2,890 per person total = \$711 (purchase) + \$2,179 (in-house)
- **\$3,142 per person total** adjusted for health status = $\$2,890 * 108.7\%$
- **\$2,397 per person net cost** = $\$3,142 - \745 Other resources (M&M&PI)

Existing Expenditures (for 13,128 users excluding wrap-around and collections)

- \$1,186 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,442 per person for OU users** = $\$1,186 + \$203 + \$54$

LNF Calculation

- **45.9% Gross LNF** = $\$1,442$ (expenditures) / $\$3,142$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **60.2% Net LNF** = $\$1,442 / \$2,397$ net cost ($\$3,142 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 60.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

ROSEBUD Unmet Needs

- **\$31,463,881 Net Total Need** = 13,128 users * \$2,397 net cost
- **\$12,527,995 Net Unmet Need** = $(100\% - 60.2\% \text{ LNF}) * 13,128 \text{ users} * \$2,397 \text{ net cost}$